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CENTRAL INTELLIGENCE AGENCY
WASHINGTON, D. C. 20505

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OFFICE OF DEPUTY DIRECTOR OF CENTRAL INTELLIGENCE

29 December 1966

MEMORANDUM FOR: THE DIRECTOR

SUBJECT : Reduction of A-12/SR-71 Fleets

1. After numerous meetings between BoB and our people, the following three options were presented to the President by the Director of the Budget on either the afternoon of 27 December or the morning of 28 December:

1. Retain both the A-12 and the SR-71 fleets at separate bases and reduce the total fleet by storing 12 SR-71 aircraft. (Estimated savings in 1968, \$25 million; five year savings, \$160 million.) -- Helms for this.

2. Retain only the SR-71 aircraft and assign 8 of them to CIA to be operated from the CIA air base [redacted] (Estimated savings in 1968, \$28 million; five year savings, \$252 million.) -- No one for this.

3. Retain only the SR-71 aircraft at a single base under Air Force management with possible use of some civilian crews for covert missions. (Estimated savings in 1968, \$45 million; five year savings, \$365 million.) -- Vance and Schultze for this (Hornig indicated for this in longer attachment to BoB memo but not in basic memo itself.)

2. The Memorandum for the President (attachment 1.) stated that Mr. Vance and Mr. Schultze recommended alternative 3 and that you recommended alternative 1. The Memorandum also stated that you, Vance, Hornig and Schultze all agreed that the total fleet size should be reduced to 30 aircraft.

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3. Upon seeing the draft of the Memorandum on Tuesday afternoon and being unable to reach Schultze or Rowen, I called Walt Rostow to inform him that the Memorandum did not fully reflect our reservation as set forth in attachment 2 which I wrote and checked with Bross, White and Duckett. The essence of this reservation is that, in your opinion, the SR-71 and the A-12 cannot yet be considered interchangeable for operational purposes. Mr. Rostow confirmed that the memorandum was sent to the Ranch in the late afternoon of 27 December (Washington time).

4. I was informed by Mr. Fisher via John Bross in mid-morning, 28 December, while in General Taylor's office on another matter, that the President had elected option 3 but would listen to a reclama from you if you wished to come down to the Ranch on Thursday, 29 December, to make one.

5. After discussion with interested parties here in the Agency and consultation with Walt Rostow, I declined to go to the Ranch on your behalf or to inform you, and I so informed Mr. Fisher. I reasoned that we stood to lose more than we might gain by attempting a reclama since we would have only two grounds upon which to base it -- one, that the DCI should keep the sponsorship of this asset and, two, that the SR-71 had not yet proven itself an equivalent aircraft for this purpose although projected performance characteristics, if achieved, would eliminate any significant differences. Since these two points had already been made, not having any additional argument to present, and knowing that the President is in a severe budget bind, I did not feel that the Agency should risk tarnishing its image with the President on what appeared to me to be a losing proposition and a hard one to justify to him anyhow.

6. While in General Taylor's office on the morning of the 28th I was asked by Pat Coyne the status of our discussions on this issue and gave him a run-down on the situation as it then was. He expressed great interest and asked to have full information in writing for the benefit of the PFIAB. When I received John Bross's call relaying Fisher's notification, I asked John to send Coyne a copy of the draft Memorandum to the President and a copy of my memorandum to Walt Rostow. Having done this, I informed Coyne that afternoon of the President's decision and of my own decision not to reclama, suggesting at the same time that Clark Clifford might be interested in this matter. Coyne called me later that afternoon to inform me that

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he had discussed the matter with Clark Clifford who felt that it would be counter-productive for him or the PFIAB to get into it at this stage and that he agreed with my decision not to reclama. Coyne added however that the PFIAB would be very interested in this matter and would discuss it at their forthcoming meeting in early February. He also indicated that meanwhile Clark Clifford would discuss the matter with the President at an earlier date.

7. What follows from here on is background as to how this all came about. On Saturday morning, 24 December, Henry Rowen called me to say that he had understood agreement had been reached late Friday, the 23rd, to the effect that differences between performance of the A-12 and SR-71 were not significant. He said he was in the process of drafting a memorandum for the President, the wording of which he would like to make sure met with our approval. I informed Rowen that we had not arrived at any such agreement. Even though we had narrowed the gap, it was still sufficiently significant to impel us to urge retention of the A-12 on the grounds of lack of demonstrated performance of SR-71 and the need to preserve the demonstrated capability of the A-12. I also reminded Rowen that on 22 December, Dr. Hornig had written the Director of the Budget advising him of Dr. Hornig's withdrawal of his previous concurrence until the facts on performance could be sorted out. Rowen informed me that he had Hornig's concurrence which I later found out not to be the case since Dr. Hornig was out of town and Dr. Steininger had specifically pointed out that Dr. Hornig could not now be included amongst those who recommended option 3. Shortly after noon on Saturday the 24th, Rowen called me to say that they wouldn't be able to finish the draft on Saturday but would take it up again Monday. I said this was fine with me, that I would be available and wanted to emphasize that our position centered around demonstrated capability.

8. I received no call from Rowen on Monday, either at the Agency or at home although I kept the Watch informed of my whereabouts. It was not until mid-day Tuesday that it became clear that the draft Memorandum had been completed without any further consultation with us and was on its way to the Ranch. I can only conclude that Rowen either misunderstood me or neglected to solicit our comment on the final draft under the assumption that our telephone conversation was adequate for the purpose. I hesitate to believe that his actions were deliberate although that is possible.

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9. The following is my general opinion. On the whole, I am inclined to think that this decision should not be contested by you or the PFIAB even though it creates considerable difficulties for us in maintaining an interim capability and there is some risk of losing altogether the capability of relatively invulnerable overflights. However, I think the degree of this latter risk is difficult to demonstrate at this stage. Of course, this may be a fore-runner for getting you out of any sort of manned reconnaissance activities over denied territory thus adding to the political complications when we get caught at it. This need not necessarily be bad as long as we retain the capability to compel prompt delivery to us of results. I think we can do that (assuming this type flight becomes a reality -- which I'm inclined to doubt).



Vice Admiral, U. S. Navy
Deputy Director

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Attachments - 2

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